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TAGS: PARM PREL ETTC PINR IR UP

SUBJECT: UKRAINE: OFFICIALS DENY THAT KOLCHUGAS SOLD TO IRAN

REF: KIEV 1921

Classified By: Ambassador for reasons 1.4 (b,d).

¶1. (U) The Jane's Defense Weekly, dated September 27, 2006, carried a story, strangely datelined Bangkok, reporting that Ukraine had recently delivered or was imminently preparing to deliver an unknown number of Kolchuga systems to Iran for an estimated price of USD25 million per system. As accurately detailed in the article, the Kolchuga-M passive detection system is truck-mounted and detects aircraft electromagnetic emissions in the VHF, UHF, and SHF wavebands. It identifies and tracks incoming aircraft at long range for acquisition by separate air defense systems. In 2002, Ukraine's alleged sales of Kolchugas to Iraq strained its relations with the U.S., although no Kolchugas were subsequently found in Iraq.

¶2. (C) On September 25, Ambassador asked First Deputy Prime Minister Mykola Azarov about the accuracy of the report. Azarov said he doubted the report was true, but promised to look into it. In a separate conversation, Deputy Foreign Minister Andriy Veselovsky suggested to Ambassador that some UK publications were known to take money from the Russians, so should not be trusted.

¶3. (C) Also on September 25 DCM contacted MFA Arms Control and Military Technical Cooperation Department Director Volodymyr Belashov to ask about the accuracy of the report. Belashov said during the year's time that he held his current position, he had been part of the interagency committee under the President's office that approved requests for export licenses of military and dual-use technology. During his time on the committee, he had seen no requests for exports of military technology or equipment to Iran and that this report was completely unexpected - "like snow in summer." Ukrainian companies selling or servicing military hardware were aware of the restrictions on doing business with Iran and so generally avoided doing business with the country. Ukrainian firms only had some non-military cooperation with Iranian counterparts. Nevertheless, MFA had immediately reacted to the initial story to verify its possible accuracy. Written inquiries had gone out to the Ukrainian Security Service (SBU) and the State Export Committee with negative initial results, but MFA was awaiting additional confirmation.

¶4. (C) Belashov argued that a clandestine sale to Iran was difficult. In the export-licensing process, state-owned purveyors of military hardware and technology had to receive approvals at each stage of doing business with foreign governments. First, the companies had to receive permission to negotiate a possible sale, then again to sign a contract, and then receive final permission actually to deliver their product. Belashov averred that the SBU, the State Customs Service, and the State Border Guards Service would have detected any unauthorized shipment of Kolchugas to Iran. The one possible route for Kolchugas to end up in Iran, he

admitted, would be the sale/third-party transfer (in violation of the end-use certificate) by a country that already possessed Kolchugas. Belashov noted that Ukraine had sold Kolchugas to China and Turkmenistan.

¶5. (C) Belashov noted that the story originally appeared either September 23 or 24 in a British tabloid, and was only subsequently picked up by Jane's. Belashov asked DCM to consider who would have the motivation to plant such a story in the press. (We were informally advised, however, that the information for the news story originated from Vietnamese arms traders working in Central Europe.)

¶6. (U) Note: While in New York to attend the UN General Assembly session, the media reported Ukrainian FM Tarasyuk met with his Iranian counterpart, Manuchehr Mottaki, September 22 to discuss joint production of the AN-140 aircraft. The two officials agreed to hold a session of the Ukraine-Iran commission for trade and economic cooperation before the end of 2006. The article observed that trade turnover between Ukraine and Iran grew in 2005 by 34 percent over 2004, reaching U.S. \$595 million. End note.

¶7. (U) We will follow up with Belashov September 26.

¶8. (U) Visit Embassy Kiev's classified website:
www.state.sgov.gov/p/eur/kiev.
Taylor